



February 25, 2005

HOUSE BILL No. 1681

DIGEST OF HB 1681 (Updated February 22, 2005 3:44 pm - DI 92)

Citations Affected: IC 6-6; IC 6-9; noncode.

Synopsis: Local taxation. Requires the Lake County convention and visitor bureau to establish an alternate revenue fund consisting of all money (other than innkeeper's tax revenue) received by the bureau after June 30, 2005. Provides that the bureau is not required to submit a budget to the county council with respect to either the alternate revenue fund or the existing convention, tourism, and visitor promotion fund. Specifies that all members of the bureau serve for terms of three years. Legalizes and validates the participation of the employees of the bureau in insurance programs established by the Lake County government for the employees of the bureau. Authorizes the Evansville city council to impose a supplemental auto rental excise tax in Vanderburgh County. Extends the distribution of a portion of the Vanderburgh County innkeeper's tax to the convention center operating fund indefinitely. Provides that the amount of innkeeper's tax revenue deposited in the tourism capital improvement fund increases to the amount generated by a 2.5% innkeeper's tax rate in 2010 (rather than a 3.5% rate beginning in 2006).

Effective: Upon passage; July 1, 2005.

Dobis, Becker

January 19, 2005, read first time and referred to Committee on Ways and Means.
February 24, 2005, amended, reported — Do Pass.

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HB 1681—LS 7567/DI 44+



February 25, 2005

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

HOUSE BILL No. 1681

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-6-9.5 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2005]:
4 **Chapter 9.5. Vanderburgh County Supplemental Auto Rental**
5 **Excise Tax**
6 **Sec. 1. This chapter applies to Vanderburgh County.**
7 **Sec. 2. As used in this chapter, "department" refers to the**
8 **department of state revenue.**
9 **Sec. 3. As used in this chapter, "gross retail income" has the**
10 **meaning set forth in IC 6-2.5-1-5.**
11 **Sec. 4. As used in this chapter, "passenger motor vehicle" has**
12 **the meaning set forth in IC 9-13-2-123(a).**
13 **Sec. 5. As used in this chapter, "person" has the meaning set**
14 **forth in IC 6-2.5-1-3.**
15 **Sec. 6. As used in this chapter, "retail merchant" has the**
16 **meaning set forth in IC 6-2.5-1-8.**
17 **Sec. 7. (a) The legislative body of the most populous city in the**

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1 county may adopt an ordinance to impose an excise tax, known as
 2 the county supplemental auto rental excise tax, upon the rental of
 3 passenger motor vehicles in the county for periods of less than
 4 thirty (30) days. The ordinance must specify that the tax expires
 5 December 31, 2036.

6 (b) The county supplemental auto rental excise tax that may be
 7 imposed upon the rental of a passenger motor vehicle is two
 8 percent (2%) of the gross retail income received by the retail
 9 merchant for the rental.

10 (c) If the city legislative body adopts an ordinance under
 11 subsection (a), the city legislative body shall immediately send a
 12 certified copy of the ordinance to the commissioner of the
 13 department.

14 (d) If the city legislative body adopts an ordinance under
 15 subsection (a) before June 1 of a year, the county supplemental
 16 auto rental excise tax applies to auto rentals after June 30 of the
 17 year in which the ordinance is adopted. If the city legislative body
 18 adopts an ordinance under subsection (a) on or after June 1 of a
 19 year, the county supplemental auto rental excise tax applies to auto
 20 rentals after the last day of the month in which the ordinance is
 21 adopted.

22 Sec. 8. (a) The rental of a passenger motor vehicle by a funeral
 23 director licensed under IC 25-15 is exempt from the county
 24 supplemental auto rental excise tax if the rental is part of the
 25 services provided by the funeral director for a funeral.

26 (b) The temporary rental of a passenger motor vehicle is exempt
 27 from the county supplemental auto rental excise tax if the rental is:

28 (1) made or reimbursed under a contract or agreement:

29 (A) between a provider and person;

30 (B) given for consideration over and above the lease or
 31 purchase price of a motor vehicle; and

32 (C) that undertakes to perform or provide repair or
 33 replacement service, or indemnification for that service,
 34 for the operational or structural failure of a motor vehicle
 35 due to a defect in materials or skill of work or normal wear
 36 and tear;

37 (2) made or reimbursed under a contract for mechanical
 38 breakdown insurance;

39 (3) made or reimbursed under a contract for automobile
 40 collision insurance or automobile comprehensive insurance
 41 that covers the temporary lease of a vehicle to the person after
 42 the person's vehicle is damaged or destroyed in a collision; or

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(4) otherwise provided to a person as a replacement vehicle:

(A) while the person's vehicle is repaired or serviced due to a defect in materials or skill of work, normal wear and tear, or other damage; or

(B) until the person permanently replaces a vehicle that has been destroyed.

Sec. 9. A person that rents a passenger motor vehicle is liable for the county supplemental auto rental excise tax. The person shall pay the tax to the retail merchant as a separate amount added to the consideration for the rental. The retail merchant shall collect the tax as an agent for the state.

Sec. 10. (a) Except as otherwise provided in this section, the county supplemental auto rental excise tax shall be imposed, paid, and collected in the same manner that the state gross retail tax is imposed, paid, and collected under IC 6-2.5.

(b) Each retail merchant filing a return for the county supplemental auto rental excise tax shall indicate in the return:

(1) all locations in the county where the retail merchant collected county supplemental auto rental excise taxes; and

(2) the amount of county supplemental auto rental excise taxes collected at each location.

(c) The return to be filed for the payment of the county supplemental auto rental excise tax may be:

(1) a separate return;

(2) combined with the return filed for the payment of the auto rental excise tax under IC 6-6-9; or

(3) combined with the return filed for the payment of the state gross retail tax;

as prescribed by the department.

Sec. 11. The amounts received from the tax imposed under this chapter shall be paid monthly by the treasurer of state to the fiscal officer of the most populous city in the county upon warrants issued by the auditor of state.

Sec. 12. (a) If a tax is imposed under section 7 of this chapter, the fiscal officer of the most populous city in the county shall establish a county supplemental auto rental excise tax fund.

(b) The city fiscal officer shall deposit in the county supplemental auto rental excise tax fund all amounts received under this chapter.

(c) Any money earned from the investment of money in the county supplemental auto rental excise tax fund becomes a part of the fund.

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(d) Money in the county supplemental auto rental excise tax fund shall be used by the city legislative body for purposes designated by the city legislative body.

Sec. 13. This chapter expires January 1, 2036.

SECTION 2. IC 6-9-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) The revenue received by the county treasurer under this chapter shall be allocated to the Lake County convention and visitor bureau, Indiana University-Northwest, Purdue University-Calumet, municipal public safety departments, municipal physical and economic development divisions, and the cities and towns in the county as provided in this section. Subsections (b) through (g) do not apply to the distribution of revenue received under section 1 of this chapter from hotels, motels, inns, tourist camps, tourist cabins, and other lodgings or accommodations built or refurbished after June 30, 1993, that are located in the largest city of the county.

(b) The Lake County convention and visitor bureau shall establish a convention, tourism, and visitor promotion fund (**referred to in this chapter as the "promotion fund"**). The county treasurer shall transfer to the Lake County convention and visitor bureau for deposit in ~~this the~~ **promotion** fund thirty-five percent (35%) of the first one million two hundred thousand dollars (\$1,200,000) of revenue received **from the tax imposed** under this chapter in each year. **The promotion fund consists of:**

- (1) money in the promotion fund on June 30, 2005;
- (2) revenue deposited in the promotion fund under this subsection after June 30, 2005; and
- (3) investment income earned on the promotion fund's assets.

Money in ~~this the~~ **promotion** fund may be expended only to promote and encourage conventions, trade shows, special events, recreation, and visitors within the county. Money may be paid from the **promotion** fund by claim in the same manner as municipalities may pay claims under IC 5-11-10-1.6.

(c) This subsection applies to the first one million two hundred thousand dollars (\$1,200,000) of revenue received **from the tax imposed** under this chapter in each year. During each year, the county treasurer shall transfer to Indiana University-Northwest forty-four and thirty-three hundredths percent (44.33%) of the revenue received under this chapter for that year to be used as follows:

- (1) Seventy-five percent (75%) of the revenue received under this subsection may be used only for the university's medical education programs.
- (2) Twenty-five percent (25%) of the revenue received under this

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subsection may be used only for the university's allied health education programs.

The amount for each year shall be transferred in four (4) approximately equal quarterly installments.

(d) This subsection applies to the first one million two hundred thousand dollars (\$1,200,000) of revenue received **from the tax imposed** under this chapter in each year. During each year, the county treasurer shall allocate among the cities and towns throughout the county nine percent (9%) of the revenue received under this chapter for that year. The amount of each city's or town's allocation is as follows:

(1) Ten percent (10%) of the revenue covered by this subsection shall be transferred to cities having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000).

(2) Ten percent (10%) of the revenue covered by this subsection shall be transferred to cities having a population of more than seventy-five thousand (75,000) but less than ninety thousand (90,000).

(3) Ten percent (10%) of the revenue covered by this subsection shall be transferred to cities having a population of more than thirty-two thousand (32,000) but less than thirty-two thousand eight hundred (32,800).

(4) Five percent (5%) of the revenue covered by this subsection shall be transferred to each town and each city not receiving a transfer under subdivisions (1) through (3).

The money transferred under this subsection may be used only for economic development projects. The county treasurer shall make the transfers on or before December 1 of each year.

(e) This subsection applies to the first one million two hundred thousand dollars (\$1,200,000) of revenue received **from the tax imposed** under this chapter in each year. During each year, the county treasurer shall transfer to Purdue University-Calumet nine percent (9%) of the revenue received under this chapter for that year. The money received by Purdue University-Calumet may be used by the university only for nursing education programs.

(f) This subsection applies to the first one million two hundred thousand dollars (\$1,200,000) of revenue received **from the tax imposed** under this chapter in each year. During each year, the county treasurer shall transfer two and sixty-seven hundredths percent (2.67%) of the revenue received under this chapter for that year to the following cities:

(1) Fifty percent (50%) of the revenue covered by this subsection

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shall be transferred to cities having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000).

(2) Fifty percent (50%) of the revenue covered by this subsection shall be transferred to cities having a population of more than seventy-five thousand (75,000) but less than ninety thousand (90,000).

Money transferred under this subsection may be used only for convention facilities located within the city. In addition, the money may be used only for facility marketing, sales, and public relations programs. Money transferred under this subsection may not be used for salaries, facility operating costs, or capital expenditures related to the convention facilities. The county treasurer shall make the transfers on or before December 1 of each year.

(g) This subsection applies to the revenue received **from the tax imposed** under this chapter in each year that exceeds one million two hundred thousand dollars (\$1,200,000). During each year, the county treasurer shall distribute money in the **promotion** fund as follows:

(1) Eighty-five percent (85%) of the revenue covered by this subsection shall be deposited in the convention, tourism, and visitor promotion fund. The money deposited in the fund under this subdivision may be used only for the purposes for which other money in the fund may be used.

(2) Five percent (5%) of the revenue covered by this subsection shall be transferred to Purdue University-Calumet. The money received by Purdue University-Calumet under this subdivision may be used by the university only for nursing education programs.

(3) Five percent (5%) of the revenue covered by this subsection shall be transferred to Indiana University-Northwest. The money received by Indiana University-Northwest under this subdivision may be used only for the university's medical education programs.

(4) Five percent (5%) of the revenue covered by this subsection shall be transferred to Indiana University-Northwest. The money received by Indiana University-Northwest under this subdivision may be used only for the university's allied health education programs.

(h) The county treasurer may estimate the amount that will be received under this chapter for the year to determine the amount to be transferred under this section.

(i) This subsection applies only to the distribution of revenue received **from the tax imposed** under section 1 of this chapter from

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hotels, motels, inns, tourist camps, tourist cabins, and other lodgings or accommodations built or refurbished after June 30, 1993, that are located in the largest city of the county. During each year, the county treasurer shall transfer:

(1) seventy-five percent (75%) of the revenues under this subsection to the department of public safety; and

(2) twenty-five percent (25%) of the revenues under this subsection to the division of physical and economic development; of the largest city of the county.

(j) The Lake County convention and visitor bureau shall assist the county treasurer, as needed, with the calculation of the amounts that must be deposited and transferred under this section.

SECTION 3. IC 6-9-2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) For purposes of this section, the size of a political subdivision is based on the population determined in the last federal decennial census.

(b) A convention and visitor bureau having fifteen (15) members is created to promote the development and growth of the convention, tourism, and visitor industry in the county.

(c) The executives (as defined by IC 36-1-2-5) of the eight (8) largest municipalities (as defined by IC 36-1-2-11) in the county shall each appoint one (1) member to the bureau. The legislative body (as defined in IC 36-1-2-9) of the two (2) largest municipalities in the county shall each appoint one (1) member to the bureau.

(d) The county council shall appoint two (2) members to the bureau. One (1) of the appointees must be a resident of the largest township in the county, and one (1) of the appointees must be a resident of the second largest township in the county.

(e) The county commissioners shall appoint two (2) members to the bureau. Each appointee must be a resident of the fifth, sixth, seventh, eighth, ninth, tenth, or eleventh largest township in the county. These appointees must be residents of different townships.

(f) The lieutenant governor shall appoint one (1) member to the bureau.

(g) One (1) of the appointees under subsection (d) and one (1) of the appointees under subsection (e) must be members of the political party that received the highest number of votes in the county in the last preceding election for the office of secretary of state. One (1) of the appointees under subsection (d) and one (1) of the appointees under subsection (e) must be members of the political party that received the second highest number of votes in the county in the election for that office. No appointee under this section may hold an elected or

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1 appointed political office while he serves on the bureau.

2 (h) In making appointments under this section, the appointing
3 authority shall give sole consideration to individuals who shall be
4 knowledgeable and interested in at least one (1) of the following
5 businesses in the county:

- 6 (1) Hotel.
- 7 (2) Motel.
- 8 (3) Restaurant.
- 9 (4) Travel.
- 10 (5) Transportation.
- 11 (6) Convention.
- 12 (7) Trade show.

13 (i) All terms of office of bureau members begin on July 1. ~~Initial~~
14 ~~appointments of the county council are for one (1) year terms; initial~~
15 ~~appointments of the county commissioners are for two (2) year terms;~~
16 ~~initial appointments of the municipal executives and legislative bodies~~
17 ~~are for three (3) year terms; with all subsequent appointments for three~~
18 ~~(3) year terms. All appointments of the lieutenant governor are for~~
19 ~~three (3) year terms. **Members of the bureau serve terms of three (3)**~~
20 **years.** A member whose term expires may be reappointed to serve
21 another term. If a vacancy occurs, the appointing authority shall
22 appoint a qualified person to serve for the remainder of the term. If an
23 appointment is not made before July 16 or a vacancy is not filled within
24 thirty (30) days, the member appointed by the lieutenant governor
25 under subsection (f) shall appoint a qualified person.

26 (j) A member of the bureau may be removed for cause by his
27 appointing authority.

28 (k) Members of the bureau may not receive a salary. However,
29 bureau members are entitled to reimbursement for necessary expenses
30 incurred in the performance of their respective duties.

31 (l) Each bureau member, before entering his duties, shall take an
32 oath of office in the usual form, to be endorsed upon his certificate of
33 appointment and promptly filed with the clerk of the circuit court of the
34 county.

35 (m) The bureau shall meet after July 1 each year for the purpose of
36 organization. The bureau shall elect a chairman from its members. The
37 bureau shall also elect from its members a vice chairman, a secretary,
38 and a treasurer. The members serving in those offices shall perform the
39 duties pertaining to the offices. The first officers chosen shall serve
40 until their successors are elected and qualified. A majority of the
41 bureau constitutes a quorum, and the concurrence of a majority of those
42 present is necessary to authorize any action.

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(n) If the county and one (1) or more adjoining counties desire to establish a joint bureau, the counties shall enter into an agreement under IC 36-1-7. In the absence of such an agreement, the bureau may not expend funds to promote activities in any other county.

SECTION 4. IC 6-9-2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) The bureau may:

(1) accept and use gifts, grants, and contributions from any public or private source, under terms and conditions that the bureau considers necessary and desirable;

(2) sue and be sued;

(3) enter into contracts and agreements;

(4) make rules necessary for the conduct of its business and the accomplishment of its purposes;

(5) receive and approve, alter, or reject requests and proposals for funding by corporations qualified under subdivision (6);

(6) after its approval of a proposal, transfer money from the **promotion** fund ~~established under section 2 of this chapter or from the alternate revenue fund~~ to any Indiana ~~not-for-profit~~ **nonprofit** corporation to promote and encourage conventions, trade shows, visitors, or special events in the county;

(7) require financial or other reports from any corporation that receives funds under this chapter;

(8) enter into leases under IC 36-1-10 for the construction, acquisition, and equipping of a visitor center; and

(9) exercise the power of eminent domain to acquire property to promote and encourage conventions, trade shows, special events, recreation, and visitors within the county.

(b) All expenses of the bureau shall be paid from the **promotion** fund. ~~established under section 2 of this chapter. Before September 1 of each year,~~ the bureau shall ~~annually~~ prepare a budget **for expenditures from the promotion fund during the following year**, taking into consideration the recommendations made by a corporation qualified under subsection (a)(6). ~~and submit it to the county council for its review and approval. After its approval of the budget, the county council shall make an appropriation from the fund in accordance with that budget.~~

(c) All money ~~coming into possession of the bureau in the~~ **promotion fund** shall be deposited, held, secured, invested, and paid in accordance with statutes relating to the handling of public funds. The handling and expenditure of money ~~coming into possession of the bureau in the promotion fund~~ is subject to audit and supervision by the state board of accounts.

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SECTION 5. IC 6-9-2-4.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.3. (a) **The Lake County convention and visitor bureau shall establish a convention, tourism, and visitor promotion alternate revenue fund (referred to in this chapter as the "alternate revenue fund"). The bureau may deposit in the alternate revenue fund all money received by the bureau after June 30, 2005, that is not required to be deposited in the promotion fund under section 2 of this chapter, including appropriations, gifts, grants, membership dues, and contributions from any public or private source.**

(b) **The bureau may, without appropriation by the county council, expend money from the alternate revenue fund to promote and encourage conventions, trade shows, visitors, special events, sporting events, and exhibitions in the county. Money may be paid from the alternate revenue fund by claim in the same manner as municipalities may pay claims under IC 5-11-10-1.6.**

(c) **All money in the alternate revenue fund shall be deposited, held, secured, invested, and paid in accordance with statutes relating to the handling of public funds. The handling and expenditure of money in the alternate revenue fund is subject to audit and supervision by the state board of accounts.**

(d) **Money derived from the taxes imposed under IC 4-33-12 and IC 4-33-13 may not be transferred to the alternate revenue fund.**

SECTION 6. IC 6-9-2-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.5. The bureau may enter into an agreement under which amounts deposited in, or to be deposited in, the ~~convention, tourism, and visitor promotion fund under section 2 of this chapter~~ **or the alternate revenue fund, or both**, are pledged to payment of obligations, including leases entered into under IC 36-1-10, issued to finance the construction, acquisition, and equipping of a visitor center to promote and encourage conventions, trade shows, special events, recreation, and visitors within the county.

SECTION 7. IC 6-9-2-4.9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.9. With respect to:

- (1) bonds, leases, or other obligations to which the bureau has pledged revenues under this chapter; and
 - (2) bonds issued by a lessor that are payable from lease rentals;
- the general assembly covenants with the bureau and the purchasers or owners of the bonds or other obligations described in this section that this chapter will not be repealed or amended in any manner that will adversely affect the collection of the tax imposed under this chapter or

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the money deposited in the ~~convention, tourism, and visitor~~ promotion fund **or the alternate revenue fund** as long as the principal of or interest on any bonds, or the lease rentals due under any lease, are unpaid.

SECTION 8. IC 6-9-2-10 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 10. Employees of the convention and visitor bureau created under section 3 of this chapter may participate in the group health insurance, disability insurance, and life insurance programs established:**

(1) **by the county government of the county described in section 1 of this chapter; and**

(2) **for the employees of the convention and visitor bureau.**

SECTION 9. IC 6-9-2.5-7.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7.5. (a) The county treasurer shall establish a tourism capital improvement fund.

(b) The county treasurer shall deposit money in the tourism capital improvement fund as follows:

(1) Before January 1, 2000, if the rate set under section 6 of this chapter is greater than two percent (2%), the county treasurer shall deposit in the tourism capital improvement fund an amount equal to the money received under section 6 of this chapter minus the amount generated by a two percent (2%) rate.

(2) After December 31, 1999, and before January 1, 2003, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a one percent (1%) rate.

(3) After December 31, 2002, and before January 1, ~~2006~~, **2010**, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a one and one-half percent (1.5%) rate.

(4) After December 31, ~~2005~~, **2009**, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a ~~three two~~ and one-half percent (~~3.5%~~) **(2.5%)** rate.

(c) The commission may transfer money in the tourism capital improvement fund to:

(1) the county government, a city government, or a separate body corporate and politic in a county described in section 1 of this chapter; or

(2) any Indiana nonprofit corporation;

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1 for the purpose of making capital improvements in the county that
2 promote conventions, tourism, or recreation. The commission may
3 transfer money under this section only after approving the transfer.
4 Transfers shall be made quarterly or less frequently under this section.

5 SECTION 10. IC 6-9-2.5-7.7 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7.7. (a) The county
7 treasurer shall establish a convention center operating fund.

8 (b) **Before January 1, 2010**, the county treasurer shall deposit in
9 the convention center operating fund the amount of money received
10 under section 6 of this chapter that is generated by a two percent (2%)
11 rate. Money in the fund must be expended for the operating expenses
12 of a convention center.

13 (c) ~~This section expires January 1, 2006.~~ **After December 31, 2009,**
14 **the county treasurer shall deposit in the convention center**
15 **operating fund the amount of money received under section 6 of**
16 **this chapter that is generated by a one percent (1%) rate. Money**
17 **in the fund must be expended for the operating expenses of a**
18 **convention center.**

19 SECTION 11. [EFFECTIVE UPON PASSAGE] **Actions taken**
20 **before the effective date of this act that would have been valid**
21 **under IC 6-9-2-10, as added by this act, are legalized and validated.**

22 SECTION 12. **An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1681, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-6-9.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 9.5. Vanderburgh County Supplemental Auto Rental Excise Tax

Sec. 1. This chapter applies to Vanderburgh County.

Sec. 2. As used in this chapter, "department" refers to the department of state revenue.

Sec. 3. As used in this chapter, "gross retail income" has the meaning set forth in IC 6-2.5-1-5.

Sec. 4. As used in this chapter, "passenger motor vehicle" has the meaning set forth in IC 9-13-2-123(a).

Sec. 5. As used in this chapter, "person" has the meaning set forth in IC 6-2.5-1-3.

Sec. 6. As used in this chapter, "retail merchant" has the meaning set forth in IC 6-2.5-1-8.

Sec. 7. (a) The legislative body of the most populous city in the county may adopt an ordinance to impose an excise tax, known as the county supplemental auto rental excise tax, upon the rental of passenger motor vehicles in the county for periods of less than thirty (30) days. The ordinance must specify that the tax expires December 31, 2036.

(b) The county supplemental auto rental excise tax that may be imposed upon the rental of a passenger motor vehicle is two percent (2%) of the gross retail income received by the retail merchant for the rental.

(c) If the city legislative body adopts an ordinance under subsection (a), the city legislative body shall immediately send a certified copy of the ordinance to the commissioner of the department.

(d) If the city legislative body adopts an ordinance under subsection (a) before June 1 of a year, the county supplemental auto rental excise tax applies to auto rentals after June 30 of the year in which the ordinance is adopted. If the city legislative body adopts an ordinance under subsection (a) on or after June 1 of a

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year, the county supplemental auto rental excise tax applies to auto rentals after the last day of the month in which the ordinance is adopted.

Sec. 8. (a) The rental of a passenger motor vehicle by a funeral director licensed under IC 25-15 is exempt from the county supplemental auto rental excise tax if the rental is part of the services provided by the funeral director for a funeral.

(b) The temporary rental of a passenger motor vehicle is exempt from the county supplemental auto rental excise tax if the rental is:

(1) made or reimbursed under a contract or agreement:

(A) between a provider and person;

(B) given for consideration over and above the lease or purchase price of a motor vehicle; and

(C) that undertakes to perform or provide repair or replacement service, or indemnification for that service, for the operational or structural failure of a motor vehicle due to a defect in materials or skill of work or normal wear and tear;

(2) made or reimbursed under a contract for mechanical breakdown insurance;

(3) made or reimbursed under a contract for automobile collision insurance or automobile comprehensive insurance that covers the temporary lease of a vehicle to the person after the person's vehicle is damaged or destroyed in a collision; or

(4) otherwise provided to a person as a replacement vehicle:

(A) while the person's vehicle is repaired or serviced due to a defect in materials or skill of work, normal wear and tear, or other damage; or

(B) until the person permanently replaces a vehicle that has been destroyed.

Sec. 9. A person that rents a passenger motor vehicle is liable for the county supplemental auto rental excise tax. The person shall pay the tax to the retail merchant as a separate amount added to the consideration for the rental. The retail merchant shall collect the tax as an agent for the state.

Sec. 10. (a) Except as otherwise provided in this section, the county supplemental auto rental excise tax shall be imposed, paid, and collected in the same manner that the state gross retail tax is imposed, paid, and collected under IC 6-2.5.

(b) Each retail merchant filing a return for the county supplemental auto rental excise tax shall indicate in the return:

(1) all locations in the county where the retail merchant

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collected county supplemental auto rental excise taxes; and
 (2) the amount of county supplemental auto rental excise taxes collected at each location.

(c) The return to be filed for the payment of the county supplemental auto rental excise tax may be:

- (1) a separate return;
- (2) combined with the return filed for the payment of the auto rental excise tax under IC 6-6-9; or
- (3) combined with the return filed for the payment of the state gross retail tax;

as prescribed by the department.

Sec. 11. The amounts received from the tax imposed under this chapter shall be paid monthly by the treasurer of state to the fiscal officer of the most populous city in the county upon warrants issued by the auditor of state.

Sec. 12. (a) If a tax is imposed under section 7 of this chapter, the fiscal officer of the most populous city in the county shall establish a county supplemental auto rental excise tax fund.

(b) The city fiscal officer shall deposit in the county supplemental auto rental excise tax fund all amounts received under this chapter.

(c) Any money earned from the investment of money in the county supplemental auto rental excise tax fund becomes a part of the fund.

(d) Money in the county supplemental auto rental excise tax fund shall be used by the city legislative body for purposes designated by the city legislative body.

Sec. 13. This chapter expires January 1, 2036."

Page 6, line 1, reset in roman "If an".

Page 6, reset in roman lines 2 through 4.

Page 8, after line 25, begin a new paragraph and insert:

"SECTION 7. IC 6-9-2-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 10.** Employees of the convention and visitor bureau created under section 3 of this chapter may participate in the group health insurance, disability insurance, and life insurance programs established:

- (1) by the county government of the county described in section 1 of this chapter; and
- (2) for the employees of the convention and visitor bureau.

SECTION 8. IC 6-9-2.5-7.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7.5. (a) The county

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treasurer shall establish a tourism capital improvement fund.

(b) The county treasurer shall deposit money in the tourism capital improvement fund as follows:

(1) Before January 1, 2000, if the rate set under section 6 of this chapter is greater than two percent (2%), the county treasurer shall deposit in the tourism capital improvement fund an amount equal to the money received under section 6 of this chapter minus the amount generated by a two percent (2%) rate.

(2) After December 31, 1999, and before January 1, 2003, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a one percent (1%) rate.

(3) After December 31, 2002, and before January 1, ~~2006~~, **2010**, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a one and one-half percent (1.5%) rate.

(4) After December 31, ~~2005~~, **2009**, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a ~~three two~~ and one-half percent (~~3.5%~~) **(2.5%)** rate.

(c) The commission may transfer money in the tourism capital improvement fund to:

(1) the county government, a city government, or a separate body corporate and politic in a county described in section 1 of this chapter; or

(2) any Indiana nonprofit corporation;

for the purpose of making capital improvements in the county that promote conventions, tourism, or recreation. The commission may transfer money under this section only after approving the transfer. Transfers shall be made quarterly or less frequently under this section.

SECTION 9. IC 6-9-2.5-7.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7.7. (a) The county treasurer shall establish a convention center operating fund.

(b) **Before January 1, 2010**, the county treasurer shall deposit in the convention center operating fund the amount of money received under section 6 of this chapter that is generated by a two percent (2%) rate. Money in the fund must be expended for the operating expenses of a convention center.

(c) ~~This section expires January 1, 2006.~~ **After December 31, 2009, the county treasurer shall deposit in the convention center operating fund the amount of money received under section 6 of**

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this chapter that is generated by a one percent (1%) rate. Money in the fund must be expended for the operating expenses of a convention center.

SECTION 10. [EFFECTIVE UPON PASSAGE] Actions taken before the effective date of this act that would have been valid under IC 6-9-2-10, as added by this act, are legalized and validated.

SECTION 11. An emergency is declared for this act."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1681 as introduced.)

ESPICH, Chair

Committee Vote: yeas 15, nays 3.

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